

ISCEBS Chapter Audit Checklist

The following audit checklist is prepared for a chapter audit rather than an outside accounting firm audit, which would be in much greater detail. This checklist should be used to review accuracy and give credibility to the financial records, compliance efforts, and procedures of a chapter. The audit should not be more extensive than a cursory review or random sampling of the chapters' financial records. If, after using this checklist, there is question as to the authenticity of the chapter financial records, a more thorough audit by an accounting firm should be completed.

The following information for the past two (2) years should be collected or reviewed prior to the audit:

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|---|---|---|
| <input type="checkbox"/> Receipts | <input type="checkbox"/> Check registers | <input type="checkbox"/> Deposit slips |
| <input type="checkbox"/> Check registers | <input type="checkbox"/> Invoices | <input type="checkbox"/> Annual financial reports |
| <input type="checkbox"/> Cancelled checks | <input type="checkbox"/> Annual tax filings | <input type="checkbox"/> Bank statements |
| <input type="checkbox"/> Budget investment policy | <input type="checkbox"/> Chapter bylaws | |

A. Financial Review

1. Review Accounts Used.

- Are there separate income accounts?
- Are all deposits recorded as to income type?
- Are all deposits reconciled to bank statements?
- Are there separate expense accounts?
- Are all expenditures recorded as to expense type?
- Are all checks reconciled to bank statements?

2. Verify the following:

- Starting balance
- Receipts/cancelled checks for expenditures
- All individual account's starting and ending balances match the chapter's ledger
- The annual ending balance matches the chapter's ledger

3. Identify the following:

- Outstanding difference between chapter reports and bank statements (outstanding checks and deposits)
- Annual income by category

- Annual expense by category
- Amount and percentage difference from budget

B. Compliance Review

- Were annual gross receipts in excess of \$50,000?
- If so, was IRS Form 990 filed annually?
- Was there any income derived from “unrelated business activities”?
- If so, was an IRS Form 990T filed, and the appropriate tax paid?
 - Is there an investment policy statement?
 - Was the statement reviewed annually?
 - Was there any investment activity not in accordance with the policy?
 - Did any officer or board member engage in any activity that could be construed as a conflict of interest with the ISCEBS?

C. Operational Review

- Were all fees collected for topical programs or educational seminars under dual control?
- Are the Treasurer and the President the authorized signers for the bank account(s)?
- If not, is there another officer or their designee that signs the checks?
- Did the treasurer or another officer review and approve each expenditure?
- Was there a budget created for each type of expense?
- Were any expenditures outside of the budgeted amount?
- If so, was there prior approval by the Treasurer or another officer for such expenditures?